FOREIGN AGRICULTURE

September 28, 1970

Changes in Polish Livestock Industry

Billion Dollar Export Luncheon

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VIII • No. 39 • September 28, 1970

In this issue:

This week's cover:

A Polish farmer harvests rye with a horse-drawn reaper. However, the day of the horse is numbered in Poland. For details see article on Polish livestock beginning page 4.

Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, $10.00 domestic, $13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Representatives from U.S. and Japanese Government, agriculture

Above, Secretary Hardin welcomes Japanese Ambassador Ushiba (l). Looking on is W. C. Theis, President, National Grain and Feed Association and luncheon host. Below, accepting wheat export award from Secretary Hardin are (l-r) Winn Tuttle, GPW; Joe Halow, GPW; Carl Dumler, GPW; Don Woodward, WWA; Eugene Vickers, WWA.

ustry enjoy the "Billion Dollar Luncheon."

Billion Dollar Luncheon Honors U.S.-Japan Trade Milestone

Japan as importer, and U.S. farmers and their "supersalesmen"—these were the honorees at a recent "Billion Dollar Luncheon" celebrating a landmark year in agricultural trade relations between the United States and Japan.

The luncheon, held September 15 in Washington's Madison Hotel, was sponsored by the National Grain and Feed Association in recognition of the U.S. achievement in reaching $1.1 billion in agricultural exports to Japan in fiscal year 1970.

Guests included representatives of both U.S. and Japanese Government, agriculture, and industry.

Nobuhiko Ushiba, new Japanese Ambassador to the United States, was a special guest, along with staff members of the Japanese Embassy and consular officials.

Secretary of Agriculture Clifford M. Hardin, who welcomed Ambassador Ushiba on behalf of U.S. agriculture, paid tribute to the diligence and industry of the Japanese people, noting the phenomenal growth of the Japanese economy over the past two decades. He said the export of $1.1 billion of American agricultural products to Japan in fiscal 1970 was a milestone in a beneficial trading relationship between the United States and Japan that he expected to continue.

Ambassador Ushiba praised American farmers and what he termed their "supersalesmen." He said that U.S. agricultural marketing experts, many of whom were at the luncheon, have served the Japanese market well. He pointed out that their ideas, such as the promotion of the livestock and poultry industries as a means of increasing demand for U.S. feedgrains, have contributed to the increased sales of American agricultural products in Japan.

In closing, the Ambassador noted that the U.S. "supersalesmen" are well on their way to selling Japan $2 billion worth of American farm products, and that he is already looking forward to commemorating that event.

Secretary Hardin presented certificates of achievement to growers and marketers of U.S. soybeans, feedgrains, and wheat—three commodities that accounted for two-thirds of U.S. agricultural exports to Japan. Representatives of cooperator organizations accepted the awards for the industries. The organizations are the U.S. Feed Grains Council, American Soybean Association, Western Wheat Associates, U.S.A., Inc. (WWA), and Great Plains Wheat, Inc. (GPW).

Above, Assistant Secretary Clarence Palmby (l) admires the feedgrain award accepted by U.S. Feed Grains Council members (l-r) C. W. Johnson, D. E. Stolte, H. E. Dyke. Below, Chester Randolph of the American Soybean Assn., accepts award from Secretary Hardin for soybean growers and marketers.

Above, hogs being fattened for market at the Bródno State Farm near Warsaw. Right, canned ham production at the Zamosc meat plant in Lublin Province. Far right, slaughter cattle weighing, Krzyzewice State Farm in Wrocaw Province.

Poland Emphasizes Cattle in Livestock Plan

By HAROLD C. CHAMPEAU
U.S. Agricultural Attaché, Warsaw

Polish agricultural planners, in an effort to meet the demands of the country's export trade, as well as the domestic requirements imposed by an increasing population, a rising per capita income, and growing feed requirements have decided that "more of the same thing" will not provide all of the necessary solutions. While plans envisage routine increases in the sizes of most of the country's animal herds, they are at the same time promoting changes that could alter the character of the Polish livestock industry in the years to come.

Despite the setback suffered as a result of the 1969 drought and an expected shortfall in grain production in the current crop year, it is a general long-term policy of the Polish Government to increase cattle numbers as rapidly as possible, while holding down hog numbers to a more modest rate of expansion. The Government also wants to reduce the number of horses; it believes the size of the horse population is slowing down the development of a substantial increase in the cattle population.

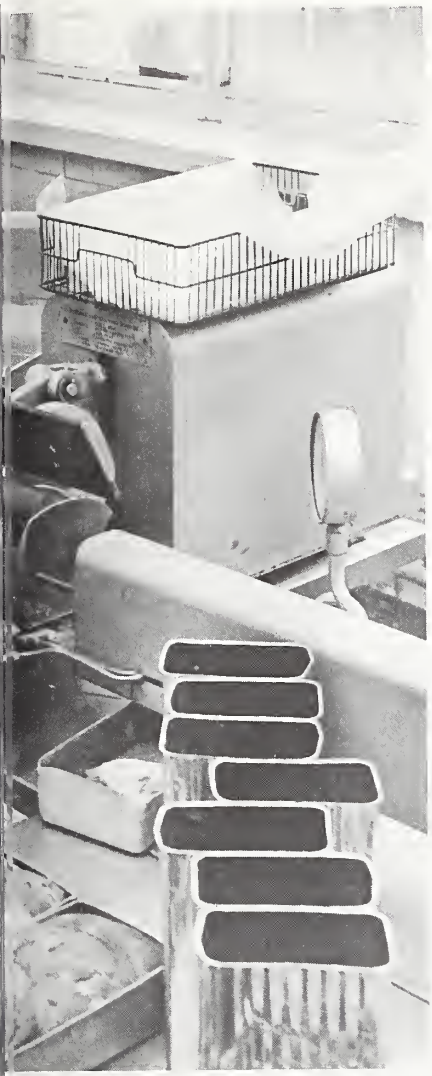
Polish agricultural planners also want to increase the number of sheep and consequently wool production and to upgrade the importance of sheep raising. At the moment sheep play only a minor role in Poland's livestock economy.

Hogs have traditionally been Poland's main source of meat and meat products for domestic consumption and for export. In 1968, hog production provided around 11 percent of the total value of Poland's agricultural production, and 27-28 percent of the total value of production in the livestock sector. For cattle and calf production, the comparable 1968 figures were 4.3 percent and 11 percent, respectively. Thus, at first glance it would seem that merely to increase hog numbers might solve any domestic meat shortage and permit increased exports if market opportunities continue to be available.

But a look at recent Polish meat-export figures reveals these facts. In 1968, Poland exported 110,550 tons of pork of various descriptions (live, slaughtered, canned, smoked, or otherwise preserved), with an export value of $100.5 million (exchange rate Zl 4=$1.00). The following year, Poland's pork exports dropped to 102,820 tons although value increased to $104.8 million. In the case of beef and cattle exports, however, both tonnage and value went up in 1969 when compared to 1968. In 1968, tonnage was 33,680; the following year it rose to 43,600 tons. The value of the 1968 beef and cattle exports was $22.2 million; the value of the 1969 exports went up to $30.5 million.

The increase of beef exports by Poland in 1969 was partially a result of short feed supplies caused by a drought and partially due to Government plans.

There are also internal pressures that may have influenced the Polish Government's plan to increase the country's beef production. For one, the Poles are better off now than they have been in previous years. The country's per capita income in 1967 was Zl19,000 and in 1968 it was Z120,700, according to Polish sources. A rise in per capita income is usually accompanied by an increase in meat consumption and a demand for a more sophisticated diet, including a greater share of beef in meats eaten.



Because Poland is a socialist country with a planned economy, the Government attempts to coordinate domestic requirements and export possibilities in its production planning. Availability and costs of producing raw materials (feeds in the case of livestock production) also must be considered where determining livestock production targets.

Cattle record high in 1969

It is logical that the increased interest in beef both for domestic consumption and as an export item should be reflected in the Polish livestock census that is taken each year in June and December. The midyear 1969 census showed that cattle (including cows) were at a record high of 11.0 million head. This figure dropped to 10.2 million by the end of 1969, reflecting a heavy selloff in the second half of the year. This reduction in numbers was in part influenced by the drought, but also the Government took steps to slow down the movement toward market of both cattle and hogs in order to prevent an excessive depletion of available breeding stock.

Cattle raisers received a reduction in their land taxes in 1969. In return, they guaranteed to deliver to the Government in 1970 young cattle fattened to a weight in excess of the so-called quotas established for their individual regions. Because they had to retain the cattle into 1970 in order to bring their calves to the required weight, farmers kept them on the farm when, because of drought conditions, their inclination was to sell them.

Hog-price increases went into effect after January 1, 1970, inducing some producers to keep their hogs off the market until after the first of the year. Without the increased prices, drought conditions would have caused a heavier flow to market.

Perhaps more important than mere cattle numbers—even though they were of record size—is interest in developing a beef-cattle industry rather than relying on dual purpose animals for slaughter.

Also significant is a drop in the age of a growing percentage of the cattle herd. In June 1960, 21.3 percent of the country's herds were of cattle of less than 1 year of age. By June of 1968, the percentage had risen to 27.7 percent. Between June 1968 and June of the following year, cattle up to 6 months of age had increased by 3.9 percent. By contrast, the increase in the country's cattle herd had been only 1.0 percent.

This trend of selling cattle at an earlier age than in the past has been encouraged by government policies reflecting increased export opportunities for live calves and veal. Contracts between cattle producers and the Government made the raising of calves nearly risk free; incentive prices for the finished product made their production profitable. But there may be repercussions from these generous new policies.

The increased purchasing and slaughtering of calves at these early ages have caused a decrease in the number of cattle between the ages of 6 months and 1 year—a decrease of 1.0 percent between June 1968 and June 1969 alone. This drop in numbers may create some difficulty in Poland's plans for increasing its herds, and can certainly affect future veal and calf exports.

Poland's hog situation

There may be another obstacle to the Government's plan to increase beef production while holding back on hog production. The plan may subtly but effectively be hampered by some of the producers themselves. Old practices and beliefs are hard to overcome, and there has always been in Poland a traditional preference for pork that runs throughout the entire population. Livestock producers may desire to continue their traditional ways instead of changing their thoughts and methods to keep up with current Government policies.

Hog production has increased in recent years, exceeding 14 million head in June 1966, 1967, and 1969, but falling off in June 1968 and 1970. The 1970 level was a 5 percent drop from that of the previous year.

And here again, perhaps in the long run, mere numbers are of less importance than other changes taking place in the hog herd. One of these was a Government-inspired changeover from fat to lean hogs. In addition, hog pro-

duction is to be increased on State farms and on the larger private farms. There will probably be a corresponding drop in the number of hogs raised on the smaller private farms. Smaller animals of improved quality are to receive increased attention, and hog-raising enterprises will be located according to planned use. (For example, meat-type hogs, which are to be exported in the form of canned hams, may be produced in the vicinity of a meat-canning factory.)

The State will increase its purchase of hogs by means of production contracts, but a better ratio must be struck between the selling prices of feed and the selling prices of hogs if pork production is to be maintained at required levels. Failure to provide attractive selling prices, as well as short feed supplies owing to the poor potato crop, may, in fact, be a major factor responsible for the sharp decrease in hog numbers between June 1969 and June 1970.

Horses hamper beef production

At a time when the Polish Government is eager to step up its cattle production, it is ironic that the size of the horse population may be seriously hampering this effort. Horses rank high as consumers of grain, second only to hogs. In fact, 10 percent of Poland's agricultural land is used to produce their feed. Polish agricultural officials say that each horse eliminated might result in a saving in grain that could be used to produce 660 pounds of cattle raised primarily for beef. This, of course, is a hypothetical case, but a saving in grain would result. Perhaps more important than a grain saving would be that some of the land freed from raising horse feed could be turned to other crops.

The 2.6 million horses counted in December 1969—most in private hands—play such a vital role in Polish agriculture that it will take years to replace them. They are used for plowing, cultivating, and harvesting; they are utilized for hauling agricultural commodities, fertilizer, plant protection chemicals, seed, fuel, consumer goods, and people.

Horses can be eliminated only as quickly as alternative means of transportation and labor are made available. The elimination of horses is also dependent on the rapidity with which small fields and farms are consolidated into areas large enough to make the use of tractors and modern agricultural machinery effective and economical. Poland has little foreign capital with which to purchase farm machinery, so that progress in mechanization has been slow. Private farmers, no doubt, would be concerned about the availability of Government-owned tractors at the time and for the purpose for which they want them, should they give up their horses. In any event, even if they could afford tractors—and most private farmers cannot—many would still be unwilling to get rid of their horses because they have such broad usability.

The best the Government can look forward to is a gradual reduction of horses, but not total elimination. Although June 1968 saw more horses on Polish farms than at any time since 1960, there was a 1.5-percent decline in the year ending in June 1969. The decline was noted in all but two of Poland's 17 Wojewodztwos (administrative units); by the end of the year a further drop of 15,500 was seen.

Although there is no direct relationship between the Polish sheep industry and the Government's desire to increase its cattle production, there are also changes taking place in the sheep segment of the livestock economy that are of interest. The country has a relatively large sheep population, but it makes only a minor contribution to the country's economy. In fact, the gross value of sheep and wool production together accounted for less than 1 percent of the gross value of agricultural production in 1968.

In 1964, the Polish Council of Ministers became alarmed by the steady fall in sheep numbers, and the low average of wool yields from Polish sheep (5.0 lb. per animal in 1967). They were also concerned over the rising costs of imported wool and sheep hides. To concentrate the country's attention on these problems, the Council called for increased sheep and wool production.

Newspapers spur sheep raisers

The current 5-year plan (1966-70) calls for a substantial increase in production. It also calls for the development of high quality pedigree sheep. The importance the Polish Government places on sheep production is underlined by the fact that even newspaper advertisements were used last year to urge greater efforts to raise production.

Despite the Government's drive to increase sheep numbers, the figure recorded on December 1969 showed that the steady increases from 1963 through 1968 were offset by a drop in late 1969. The postwar high was 4.2 million head in June 1955, tapering off to a low of 3.0 million in June 1964. The number of sheep registered on June 30, 1969, was 3.2 million, 90,000 head below June 1968 and the first decrease since 1964.

Polish Government interest in the country's sheep industry is reflected by an increased number of sheep being bred by the socialized sector of Poland's agriculture—on State and cooperative farms. In 1968, 85 percent of the country's sheep production was on privately owned farms; this percentage has dropped and the percentage of sheep being bred by the smaller socialized sector is rising.

Poultry industry also changes

Although the main thrusts of this article are the steps Poland is taking to increase its meat production, and particularly its beef output, there are also changes taking place in the nation's poultry flocks.

Some of the changes in poultry numbers over the last few years are given below. The chicken population fell slightly in 1966 and 1967 but advanced strongly in 1968 and 1969. By 1969 chicken numbers were nearly 75 million compared with just over 70 million in 1966. During the same period duck and turkey numbers rose slightly and geese numbers fluctuated downward.

Some of the Government of Poland's policies to encourage increased poultry production are mentioned here in brief.

- There is increased stress on production of poultry meat for local consumption and for export. Formerly, chickens were kept mainly because of the interest in egg production.
- Special attention is being paid to improved breeds and breeding methods. Chicken production, formerly a neglected element of the poultry industry, is receiving an unprecedented push.
- Artificial hatching has been developed to a high point during recent years using breeder farms, reproduction farms, and hatching facilities.
- Specialization, which began in 1960 with year-round broiler-type production of young chickens, ducks, turkeys, and guinea hens, is being continued.
- The death rate on poultry farms is steadily dropping as production facilities pay more attention to disease prevention.
- Both male and female day-old chicks are now available from breeding farms. Formerly poultry raisers could buy their males from breeding farms but had to raise their females on the farms.
- Recent incentives to encourage large-scale poultry production include tax relief measures and the availability of production credits.

Japan Steps Up Efforts To Control Rice Surplus

By MARY ELLEN LONG
Foreign Regional Analysis Division
Economic Research Service

Japan, faced with a rice glut owing to record harvests and decreasing domestic consumption, is continuing efforts to alleviate the surplus. In addition to stock reduction and other measures a program was adopted in February 1970 to curb rice production. The plan calls for diverting some rice land to other crops and withdrawing other land from agricultural production for conversion to public use.

Beginning with the 1970 crop, the Ministry of Agriculture and Forestry inaugurated a 3-year program to reduce the rice area by 10 percent each year with an ultimate reduction in production of about 1 million metric tons per annum.

For the 1970 crop year, the Government made available an outright appropriation of $208 million plus $18 million withdrawn from the Food Control Account to finance diversion payments to farmers. On this basis, it is estimated that funds would be adequate to divert 240,000 hectares of land from rice with announced payments to farmers of $970 per hectare. Compared with recent-year earnings this diversion payment is about one-half of the farmer's gross return from rice production per hectare.

Farmers accepting the diversion payment have the choice of leaving the land idle or using the land for other agricultural endeavors such as production of fruits, vegetables, livestock, or poultry.

Farmers have reportedly exceeded expectations in their acceptance of the diversion program. Long-term weather forecasts for an unusually cold spring and summer for 1970, coupled with the abundance of part-time or seasonal employment available to farmers in rural areas, helped to make the diversion program palatable to farmers. Off-farm employment plus the subsidy for nonproduction of rice is believed to have provided larger farm incomes than could be realized from the usual rice cultivation.

JAPAN: PRICES OF RICE—1962-70

Year	Brown rice	Milled rice	Paddy rice	Import price [1]
	U.S. dol. per metric ton	*U.S. dol. per metric ton*	*U.S. dol. per metric ton*	*U.S. dol. per metric ton*
1962	225.05	247.31	180.04	133.99
1963	242.48	266.46	193.98	129.41
1964	275.51	302.76	220.41	140.57
1965	301.70	331.54	241.36	149.60
1966	329.37	361.95	263.50	161.75
1967	360.58	396.24	288.46	161.43
1968	381.73	419.48	305.38	185.36
1969	381.11	418.80	304.89	164.39
1970	382.92	420.79	306.34	147.00 [2]

[1] Average, milled c.i.f. [2] Four month estimate (1970).

Rice threshing on a Japanese farm.

The Government also announced that it will purchase 110,000 hectares of crop land from farmers to be diverted from agriculture to public uses. This, plus the land diverted to other crops, equals a total of 350,000 hectares removed from rice cropping in 1970. On the basis of average yields of 5.2 metric tons of rice produced per hectare since 1965, the anticipated withdrawal of 350,000 hectares from production could result in an estimated decline in rice production of as much as 1.8 million metric tons in 1970.

The Government's announced price for the 1970 rice crop is only slightly above the levels set for 1968 and 1969, but is still the highest on record in the past 9 years. On a milled rice basis, producer prices have been two to three times the average imported rice prices during these years.

Innovations in the Government's purchase of the 1970 rice crop are the payment of indirect subsidies to farmers as incentives to produce higher quality types of rice, and the use of a price formula for four different grades of rices in determining the average price to be paid to farmers. The net effect of these two new policies was an increase in total remuneration to farmers of 2.7 percent over the 1969 level.

Since rice consumption has continued to decline in recent years, particularly in urban households, stocks have built up over the past few years. The carryover of rice, on a milled basis, was about 5 million metric tons at the end of the 1969 marketing year and is expected to total about 6 million tons at the end of October 1970. These stocks will include portions of all crops harvested from 1967 through 1970.

In an effort to reduce the carryover, the Japanese Government has been exporting rice under a Food-Aid program since 1969, and more recently under legislation passed by the Diet in June 1970. Exports have also been made as direct aid grants under the provisions of the Food Aid Convention of the International Grains Agreement. As of May 1970, 800,000 metric tons of rice had been exported under these programs, chiefly to the Republic of Korea, Indonesia, and Pakistan at prices averaging about $140 per ton f.o.b.—well below domestic purchase prices.

U.S. Cotton Industry Moves Toward Greater Efficiency in Export Marketing

By ROBERT B. EVANS
Cotton Division, FAS

The U.S. cotton industry is trying several new methods to improve the efficiency of its export shipping. Increasingly important innovations are containerized shipping of cotton—and shipping via LASH (lighter aboard ship) minibarge. Other new efforts include a switch from gross weight to net weight trading, standardizing of the cotton bale, and pooling of cotton shipments to obtain lower shipping rates.

Export shipments of cotton in containers (see Foreign Agriculture, July 21, 1969) from U.S. west coast ports to Japan are increasing rapidly. Container movements are estimated to have jumped from 20,000 bales in the 1967-68 cotton season to 40,000 bales in 1968-69, and 100,000 bales in 1969-70. At least two American and six Japanese ship lines now provide container service on the west coast-Japan route.

The containers most commonly used measure 20 feet by 8 feet by 8 feet and hold from 45 to 54 high-density bales. Containers twice as long and holding twice as many bales are sometimes used.

The bulk of the container-shipped cotton has been of Arizona and California origin, moving from California ports to Japan. Very little cotton has yet been shipped in containers to other countries or from the important cotton-shipping Gulf ports. Container service is expanding rapidly, however, and it is likely that more and more containerized cotton will move via increasing trade routes.

Undoubtedly, costs could be reduced substantially if cotton could be shipped in the same container all the way from the cotton production point in the United States to the mill in Japan or another foreign country. In actual practice, however, few containers are loaded at central points in cotton producing areas because containers become available in places other than where they are needed. Containers returning from Japan usually are unloaded at port, and it is costly to deadhead the empty containers to cotton producing areas. For instance, it costs $84 to ship containers from Long Beach to Bakersfield, California. Also, two 20-foot containers loaded with cotton for the trip to port are heavier than State highway restrictions allow, and transporting a single container per truck is considered inefficient.

Instead, cotton typically is trucked to port where it is "stuffed" into containers in a marshalling yard. The containers are then trucked to shipside and lifted into position on a vessel by heavy cranes.

Use of containers has led to some problems with insurance coverage because many of the containers are placed above deck instead of in the hold. Also, additional paperwork is created because a company other than the shipping line loads the container. The cotton industry is experimenting to determine the kind and size of bale and arrangement of bales in a container that will produce optimum results.

In Japan, cotton in containers sometimes moves directly to the mills but usually the mill combines prefer to unload the cotton at Kobe for inspection and breaking up into shipments for mills.

Another new method of shipping cotton overseas was tried successfully on the Mississippi River. An exporter loaded some 644 high-density cotton bales and a partial cargo of steel wire

onto a LASH minibarge at Greenville, Mississippi, in January 1970. (The minibarge, which measures 61 feet long, 31 feet wide, and 13 feet high and is equipped with watertight steel hatches, can hold 800 bales.) The cotton-loaded minibarge was towed down the river to New Orleans, where it was hoisted aboard the "mother ship"—accommodating 73 such barges—by a giant crane installed on the ship. The vessel sailed to Rotterdam where the minibarge was set down in the harbor and the cotton unloaded—in excellent condition and at a considerable saving in cost.

Two LASH vessels are now operating between the Gulf of Mexico and Western Europe, and through-tariffs and through-bills of lading have been established from Mississippi River and Arkansas River points to Rotterdam, Antwerp, Dusseldorf, and other Western European destinations. Similar additional cotton shipments are expected this fall as European orders develop for Delta cotton.

The American cotton industry also hopes to increase the efficiency of export shipping by means of improved packaging. Until now, American cotton had been traded domestically on a gross weight basis which favors the use of coarse, heavy jute bagging to cover cotton bales. This, in turn, had meant paying for shipping much unnecessary non-cotton weight—tare—and had given the American cotton bale a reputation, probably not altogether justified, of being "the poorest packaged commodity in international trade." In contrast, nearly all other cotton exporting countries sell on a net weight basis and wrap their cotton in light, tightly woven fabric or burlap.

To facilitate the use of improved lightweight bagging, the U.S. Department of Agriculture announced in March 1970, that, beginning with the 1971 crop, it would make cotton price support loans on a net weight, instead of gross weight, basis. The American cotton industry is trying to make an orderly transition to a net weight system, and the New York Cotton Exchange already has placed future prices, beginning with October 1971 deliveries, on a net weight basis.

Still another change being considered to increase efficiency in cotton export marketing is to standardize American cotton bales. At present cotton gins generally turn out 480-pound-net bales having a density of 12.5 pounds per cubic foot. These bales are then compressed to around 23 pounds per cubic foot for shipment to American mills. Then, if the cotton is to be sold for export, the bales are compressed again to 32 pounds per cubic foot. The National Cotton Council hopes to eliminate the second compressing operation, which sometimes costs around $3 per bale, by standardizing density at 27-29 pounds per cubic foot for both domestic and export use. This requires approval of domestic mill interests as well as understanding treatment by shipping lines. Certain technical changes in gin equipment would also be required.

Another move that may cut costs in exporting American cotton is the recent organization of the American Cotton Exporters Association under the Webb-Pomerene Act. The organization's purpose is to pool cotton shipments in the hope of obtaining lower overseas rates for U.S. cotton cargo.

Clockwise from far left: Containerized cotton travels by rail; loading on LASH minibarge in Mississippi; "mother ship" sails with barges; unloading at Rotterdam.

Thai Exports of Flue-Cured Trend Up As Growers Work To Expand Output

By ALBERT B. DAVIS
Tobacco Division, FAS

Thailand, traditionally a major market for U.S. tobacco, has become a growing producer and exporter of flue-cured tobacco in the past few years.

Thai tobacco exports now almost equal in volume U.S. shipments to Thailand, which in 1969 were 21.6 million pounds of flue-cured and 2.7 million of burley. Thai exports the same year were 18.4 million pounds of flue-cured.

Despite growing Thai production and exports, however, U.S. sales to Thailand should remain good. The recent hike in Thailand's tobacco customs duty from 40 percent to 60 percent ad valorem should not affect U.S. sales there because Thailand needs U.S. tobacco in a blending operation for which cheaper tobacco is not acceptable. By upgrading its tobacco with U.S. flue-cured and burley, Thailand has been successful in manufacturing an American-type blended cigarette.

But the United States faces growing competition from Thailand in other traditional U.S. markets. Of the 19 countries taking Thai tobacco, the major ones—West Germany, United Kingdom, Japan, Netherlands, and France—are also important outlets for U.S. exporters. The United Kingdom, largest U.S. market, is taking an increasing share of Thai tobacco, maybe partly because Thailand has the Commonwealth duty preference, currently 18.5 cents per pound.

Thai flue-cured exports grew from 15 million pounds, at 34 cents per pound in 1966 to 22.9 million pounds, at 43 cents per pound in 1968.

Tobacco types

For many years, Thailand has been producing a native dark sun-cured tobacco for domestic and export markets. Production of this type is now 45 million to 48 million pounds per year.

Flue-cured, a relatively new crop, began to be grown in small quantities in the early 1930's. Production is now 44-45 million pounds. No doubt one factor stimulating its production for export in the past 4 or 5 years has been the United Nations embargo on Rhodesian tobacco trade. Rhodesia had been an important world producer and U.S. competitor.

Production of burley, also a new crop, is currently about 1.3 million pounds per year. Approximately 60 percent of this is grown on plantations of the Thailand Tobacco Monopoly (TTM), whose share is reportedly increasing. Since burley is air cured, it is best harvested in the dry season. However, experiments are still underway to determine optimum planting and harvesting periods.

The monopoly also grows small amounts of oriental tobacco—an estimated 300,000 pounds in 1969-70.

Producing areas

Total tobacco area in 1969 was about 159,000 acres. Of this, 65,000 acres were planted to flue-cured, 1,200 acres to burley, and 92,000 acres to dark sun-cured.

Flue-cured is grown in the north and northeast, mostly in the provinces of Chiang Mai, Chiang Rai, and Phrae, with smaller quantities in the provinces of Nakhon Phanom, Lampang, Nong Khai, and Petchburi.

More than half of Thailand's tobacco is grown in the Chiang Mai Valley, on land that varies from more or less level to slightly rolling. On the higher land, flue-cured is sometimes planted after soybeans. Tobacco's major competitors for land in Chiang Mai are rice and fruits.

The hub of tobacco production in the area is the expanding city of Chiang Mai, with a population of 65,000. The area has rail service to and from Bangkok, about 400 miles to the south.

Some burley is grown in Chiang Mai, but most of it is grown in Phetchabun, Sukhothai, and Tak Provinces.

Tobacco has been a dry season crop in Thailand, but recently the country has had some success with an early crop set between September and November and harvested from December to March.

Labor is relatively cheap in the Chiang Mai area. Much of the work force reportedly would rather work there at low wages than migrate to Bangkok where they would find both wages and living costs must higher.

Most tobacco production work in Thailand is done by hand. As yet, there are very few tractors. Water buffalo are used for plowing and for some of the cultivation. Production costs are low by Western standards, but so are growers' prices—about ⅓ to ½ as high as those in the United States. In 1968-69 they were: flue-cured, 29 cents per pound; burley, 22 cents; and oriental, 19 cents.

The Thailand Tobacco Monopoly, a separate entity under the Government, has no control over native sun-cured tobacco but has some control over other types, principally flue-cured. TTM operates farms or plantations which supply flue-cured plants to farmers. Growers under the guidance of both the monopoly and tobacco companies have been quick to learn how to produce flue-cured, which brings in more money than the native Thailand tobacco, and to grow two crops a year on land previously producing only one. They find weather and disease bigger problems with the first crop.

There are three main ways Thai growers can produce and market flue-cured.

Under one plan of production, farmers are financed and directed by TTM. Their green tobacco is hauled to one of TTM's central curing installations where it is sorted and cured in flue-curing barns. It is then graded, baled in 75-kilogram bales, and transported to TTM's cigarette plant in Bangkok for redrying and storage.

Under another plan, farmers make arrangements with private individual curers who are under contract with TTM. The curers sell to TTM under a quota system.

Because of the current demand for flue-cured tobacco for export, the Thai Government allows curing by a third group—individual curers, not under contract to or controlled by the monopoly.

It is reported that TTM generally agrees to buy from private individual curers an additional 15 percent of cured tobacco over each's allotment or contract.

1969-70 growers

Production of flue-cured tobacco in 1969-70 can be divided about as follows:

	Mil. lb.
On TTM's plantations	4.4
Under TTM's grower contracts	16.8
Total under TTM's control	21.2
By "outside" growers	22.0
Total	43.2

The monopoly permits farmers who are under its direct supervision and can afford it to build a maximum of two flue-curing barns and to produce tobacco to sell in cured form (instead of green) to the monopoly.

In addition several commercial tobacco companies buy leaf and redry it, chiefly for export. They may work jointly with TTM's grower contracts in the name of the grower contract to sell some of the leaf to TTM under a quota.

Trade Fair Season Kicks Off At Brussels Food Industry Fair

Brussels—old city—modern food tastes. (Photo: Sabena Airlines.)

Below, Mr. Leburton, Belgian Minister of Economic Affairs, samples some of the new U.S. items displayed above.

NOUVEAU! NIEUW! NUEVO! Whatever the language the meaning is the same—NEW! And that's what the Second Food Industry Trade Fair, a trade-only show held in Brussels September 2-7, was all about—new foods from farms and factories around the world.

Brussels may be an old city but its food tastes are modern. Consumers there and all over Europe are clamoring for the latest products, and the trade came to Brussels to see what new food items as well as traditional favorites exporting countries had to offer.

Belgium is a member of the "billion-dollar club" that includes eight countries importing more than a billion dollars worth of agricultural commodities a year. Belgium has been an important market for U.S. agricultural goods in the past, but recently U.S. exports have been falling off because of Belgium's increased trade with other EC countries.

Over 60 U.S. food firms, as well as four cooperator groups—The Institute of American Poultry Industries, Rice Council, Michigan Bean Shippers Association, and the California Cling Peach Advisory Board—displayed their products in the attractive U.S. "Food Business-1970" exhibit at the Fair.

The Office of Commercial Fisheries of the Department of Interior also participated with a popular "Seafood USA" display, and the U.S. Honey Institute manned a crowd-drawing booth.

The Fair was a successful one for U.S. exporters. Twelve European agents were appointed to act for U.S. firms and an additional 23 applicants are being considered. Six distributorships are pending.

Businessmen reported on-the-spot sales of $8,400 and expect orders over the next 12 months totaling $2,637,000 from contacts made at the Fair. One exporter of iceberg lettuce reported a sale of 4,800 cases a week, over the next year, to be distributed in Germany, Holland, and Belgium. Orange juice representatives also chalked up volume sales of their product.

Two U.S. firms were awarded recognition by the Fair management for innovative techniques in packaging. Castleberry's Food Products of Augusta, Georgia, was singled out for foods packed in individual portion aluminum cans with easy-open lift tops, while Sunkist Growers, Inc., were praised for their plastic bottles arranged in a special pack.

Among the many new U.S. products attracting attention from the trade were roasted and salted soybeans (a special hit with beer industry representatives); already combined peanut butter and jelly; "decorator fruits" (red-dyed Thompson seedless grapes and cling peaches); dill-flavored green beans; vegetarian soybean cutlets; and heat-and-eat breakfast trays.

Also shown were fresh fruits and vegetables air-shipped from U.S. producing areas, honey, rice, frozen turkey, and many other proven favorites.

Besides the latest in foods, the U.S. exhibit at Brussels also introduced a new symbol—to be used in identifying U.S. exhibits overseas. Patterned after the letters USA, the symbol in attractive red, white, and blue added a purposeful as well as decorative element to the exhibit at the Brussels Fair.

Research Spurs Dutch Mushroom Production

Research and education have been the major tools in the Netherlands effort to increase production of mushrooms. With output up from 8,000 metric tons in 1964 to 22,500 in 1969, the Netherlands now ranks sixth in world production after the United States, France, Taiwan, the United Kingdom, and the Federal Republic of Germany.

In September 1969 the Dutch established the first school devoted strictly to the study of mushrooms, the Educational and Training Center for Mushroom Production at Horst in the Province of Limburg. At this permanent institute, full-time and part-time courses are available for those who are or want to become mushroom growers. The school consolidates a number of previously existing and diversified courses for the education of mushroom growers.

The Dutch have made great contributions to the study of mycology or the science of fungi, which includes mushrooms. The beginnings of that science were made possible by the microscope, developed in the 17th century by, appropriately, a Dutchman—Anton van Leeuwenhoek.

The Dutch have had a research station for their mushroom industry since 1957. Since the station was founded, mushroom yields per square meter per year have more than tripled from an average of a dozen in 1957 to 41 on the same area 12 years later in 1969.

About 90 percent of all mushroom growers in the Netherlands belong to a cooperative whose main goal is stimulation of research and education. Its widespread influence is undoubtedly responsible for the efficiency and progressiveness of the Dutch mushroom industry. Along with disseminating information, the cooperative is concerned with the manufacturing of compost for mushroom beds, the automated filling of the beds with compost, the manufacturing of mushroom coversoil, and also a mushroom trading firm.

The Netherlands has exported an average of 70 percent of its total domestic production of mushrooms since 1967. In 1969, 9,000 metric tons or 40 percent of total production was exported canned. Most of these exports have been to West Germany, whose demand for canned mushrooms is still growing. The Netherlands appears to be the third largest supplier of canned mushrooms to the country, shipping 6,559 metric tons in 1969—behind Taiwan with 13,011 metric tons and France with 9,557.

Although fresh exports have increased gradually over the last 4 years—to a total of 7,500 metric tons or 33 percent of production—the upward trend will probably end this year because of heavy demand for canned exports. Dutch exports of fresh mushrooms go mainly to Belgium and France.

Dutch domestic consumption—mainly fresh—should continue to advance. (Canned mushrooms are not popular in the Netherlands.) The increasing prosperity of the people of Holland, the broader education that the average housewife has received—making her aware of mushrooms and their uses—and the sharply decreasing prices of mushrooms should all aid in this rise. —Based on dispatch from BRICE K. MEEKER
U.S. Agricultural Attaché, The Hague

DISTRIBUTION OF DUTCH MUSHROOM PRODUCTION

Item	1967		1968		1969 [1]	
	Metric tons	*Percent*	*Metric tons*	*Percent*	*Metric tons*	*Percent*
Domestic consumption (fresh)	5,283	30	5,544	28	6,000	27
Fresh exports	7,286	42	7,600	38	7,500	33
Canned exports	4,931	28	6,856	34	9,000	40
Total	17,500	100	20,000	100	22,500	100

[1] Projected.

Below, The Netherlands Educational and Training Center for mushroom production. Above, mushrooms sprouting in their beds.

CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	Sept. 16	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.07	+3	1.88
USSR SKS-14	(1)	(1)	1.78
Australian Prime Hard	(1)	(1)	1.82
U.S. No. 2 Dark Northern Spring:			
14 percent	2.03	+6	1.78
15 percent	2.05	+4	1.88
U.S. No. 2 Hard Winter:			
13.5 percent	1.96	+5	1.76
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.88	+6	1.58
Feedgrains:			
U.S. No. 3 Yellow corn	1.89	+2	1.40
Argentine Plate corn	2.01	+2	1.78
U.S. No. 2 sorghum	1.69	0	1.47
Argentine-Granifero	1.72	0	1.50
Soybeans:			
U.S. No. 2 Yellow	3.27	+5	2.78

[1] Not quoted.
Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

U.S. Fiscal Year Soybean Exports

Preliminary data indicate that 429.8 million bushels of U.S. soybeans were exported during the 1969-70 (Sept.-Aug.) marketing year. This represents an increase of 142.5 million bushels, or 50 percent, over the 287.3 million bushels inspected for export last year. Actual exports in 1968-69, however, were slightly less—286.8 million bushels.

While soybean inspections in 1969-70 showed marked gains to all major U.S. markets, the bulk of the increase was destined for Japan, the European Community, and Canada.

U.S. SOYBEAN INSPECTIONS FOR EXPORT

Country of destination	1968-69 [1]	1969-70 [1]
	Million bushels	*Million bushels*
Belgium-Luxembourg	2.2	3.8
France	0	4.6
Germany, West	19.3	33.2
Italy	16.9	23.3
Netherlands	57.2	75.3
Total EC	95.7	140.2
Denmark	12.2	18.1
Spain	30.5	35.8
Canada	39.9	74.4
Japan	75.1	106.4
Other	34.0	54.9
Grand total	287.3	429.8

[1] Sept.-Aug.

Inspections for Japan and the European Community increased by 42 and 46 percent, respectively. Practically all of the increase to Canada, however, undoubtedly was transshipped to European and/or Asian destinations.

U.S. Soybeans, July Exports

U.S. exports of soybeans in July, at 25.2 million bushels, declined 12.7 million from the previous month's unusually high total, but exceeded July 1969 exports by 7.0 million bushels. The total for September-July reached 399.7 million bushels—up 46 percent, or 125.1 million bushels, from exports in the same period last year. About three-fourths of the increase was shipped to the European Community, Japan, and Canada. The bulk of exports to Canada, however, comprises transshipments to destinations unknown when shipped.

U.S. EXPORTS OF SOYBEANS

Item and country of destination	Unit	July		September-July	
		1969 [1]	1970 [1]	1968-69 [1]	1969-70 [1]
Belgium-Luxembourg	Mil. bu.	0.2	0.1	9.6	15.5
France	do.	0	.5	.3	3.8
Germany, West	do.	.6	2.1	29.7	37.7
Italy	do.	.2	.1	15.7	25.0
Netherlands	do.	2.4	3.0	39.4	54.4
Total EC	do.	3.4	5.8	94.7	136.4
Japan	do.	6.7	7.4	65.4	91.5
Canada	do.	3.0	5.2	36.0	62.0
Spain	do.	2.6	2.5	30.0	34.1
China, Taiwan	do.	.6	1.5	16.1	20.1
Denmark	do.	0	1.6	11.8	17.8
Israel	do.	1.1	0	6.5	8.3
United Kingdom	do.	.1	(2)	4.4	7.4
Others	do.	.7	1.2	9.7	22.1
Total	do.	18.2	25.2	274.6	399.7
Oil equivalent	Mil. lb.	200.3	277.2	3,015.5	4,388.5
Meal equivalent	1,000 bu.	428.7	593.3	6,454.0	9,392.6

[1] Preliminary. [2] Less than 50,000 lb.
Computed from rounded numbers. Bureau of the Census.

U.S. Edible Oils, July Exports

Soybean oil exports in July totaled 151.4 million pounds. While not as high as June's record shipment of 210.3 million pounds, July exports increased 96 percent, or 74.2 million pounds, from the July 1969 total. The total so far for the marketing year, October-July, reached 1.1 billion pounds, a gain of 369.6 million pounds from exports in the same period last year. Shipments under Public Law 480 programs were estimated at 604 million pounds, compared with 634 million a year ago; and commercial sales were 506 million pounds compared with only 106 million. Pakistan, India, and Iran have been the dominant markets this season and last.

Cottonseed oil exports in July, at 17.5 million pounds, continued the high level for the marketing year, despite the decline of 5.7 million pounds from exports in July 1969. The

cumulative 10-month total reached 424.7 million pounds, an increase of 297.1 million from last year. All but the 1.5 million pounds shipped as donations were exported as commercial sales, largely from accumulated stocks held by the Commodity Credit Corporation.

U.S. EXPORTS OF EDIBLE OILS

Item and country of destination	Unit	July 1969[1]	July 1970[1]	October-July 1968-69[1]	October-July 1969-70[1]
Soybean:[1]					
Pakistan	Mil. lb.	23.1	0	113.8	317.1
India	do.	29.4	67.8	255.9	201.3
Iran	do.	([3])	39.9	47.8	118.6
Tunisia	do.	.8	6.2	46.7	77.5
Canada	do.	1.5	6.0	24.5	40.4
Peru	do.	.1	.9	9.4	38.1
Morocco	do.	.5	6.6	25.3	28.9
Chile	do.	.9	.2	29.4	26.9
Israel	do.	1.9	.9	28.0	20.6
Mexico	do.	1.4	3.5	1.8	16.5
Haiti	do.	1.4	1.1	16.1	16.0
Colombia	do.	.9	2.3	6.3	15.9
Dominican Republic	do.	5.0	0	21.3	15.4
Mauritius	do.	0	2.2	0	15.4
Others	do.	10.3	13.8	113.7	161.0
Total	do.	77.2	151.4	740.0	1,109.6
Cottonseed:[2]					
Belgium-Luxembourg	do.	0	0	([3])	5.6
France	do.	([3])	0	([3])	([3])
Germany, West	do.	0	0	15.3	33.7
Italy	do.	([3])	0	([3])	([3])
Netherlands	do.	0	0	10.1	33.9
Total EC	do.	([3])	0	25.4	73.2
United Kingdom	do.	([3])	([3])	.1	70.1
UAR	do.	8.8	0	17.2	64.7
Venezuela	do.	13.6	1.1	62.7	40.1
Iran	do.	0	0	([3])	37.7
Mexico	do.	0	.4	([3])	33.8
Canada	do.	.5	2.1	13.7	24.7
Pakistan	do.	0	0	0	17.8
Poland	do.	0	9.1	0	16.6
Morocco	do.	0	4.5	0	12.2
Sweden	do.	0	0	5.9	11.9
Dominican Republic	do.	0	0	([3])	7.6
Others	do.	.3	.3	—	14.3
Total	do.	23.2	17.5	127.6	424.7
Total oils	do.	100.4	168.8	867.7	1,534.3

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 lb.

Computed from rounded numbers. Bureau of the Census.

U.S. Oil Cake and Meal, July Exports

Soybean meal exports, at 407,100 tons, exceeded July 1969 exports by 138,400 tons and brought the October-July total to 3.46 million tons. This year's cumulative total is 32 percent, or 847,600 tons, over last year's October-July exports of 2.62 million tons.

Unusually heavy exports to the European Community, particularly West Germany, boosted the EC total to 2.34 million tons, 573,900 tons higher than in the previous year. Larger quantities were also shipped to Eastern and Western Europe, Canada, Japan, and the Philippines.

Slightly less cottonseed, linseed, and other cakes and meals were exported this marketing year.

U.S. EXPORTS OF CAKES AND MEALS

Item and country of destination	Unit	July 1969[1]	July 1970[1]	October-July 1968-69[1]	October-July 1969-70[1]
Soybean:					
Belgium-Luxembourg	1,000 tons	13.7	19.0	157.9	173.1
France	do.	40.9	68.3	413.2	527.9
Germany, West	do.	23.4	88.1	547.3	799.1
Italy	do.	9.4	28.5	194.1	271.9
Netherlands	do.	45.3	87.2	450.1	564.5
Total EC	do.	132.7	291.1	1,762.6	2,336.5
Canada	do.	23.6	22.7	210.8	226.6
Yugoslavia	do.	22.7	12.8	122.1	151.4
Hungary	do.	13.6	14.7	28.6	140.1
Poland	do.	15.2	10.1	90.7	94.7
Switzerland	do.	12.4	3.5	58.7	94.2
Japan	do.	0	11.0	19.7	63.2
Ireland	do.	9.8	13.2	36.7	44.0
Philippines	do.	4.3	3.8	32.9	39.1
United Kingdom	do.	0	6.1	32.9	38.3
Spain	do.	11.7	0	65.1	34.1
Bulgaria	do.	9.6	0	19.2	30.4
Others	do.	13.1	18.1	136.0	171.0
Total	do.	268.7	407.1	2,616.0	3,463.6
Cottonseed	do.	1.4	.8	9.9	6.2
Linseed	do.	3.8	2.4	61.2	56.7
Total cakes and meals[2]	do.	275.2	414.7	2,733.5	3,566.1

[1] Preliminary. [2] Includes peanut cake and meal and small quantities of other cakes and meals.

Computed from rounded numbers. Bureau of the Census.

Record Forecast for Canada Oilseeds

Production forecasts for Canada's principal oilseed crops, based on August 15 yields, indicate record harvests for both flaxseed and rapeseed.

The 1970 flaxseed crop is forecast at a record 47.1 million bushels, 71 percent higher than last year's revised estimate of 27.5 million bushels and 35 percent above the record 1956 level. The area seeded to flaxseed increased to 3.37 million acres from 2.34 million in 1969; and yield per acre, estimated at 14.0 bushels, increased 19 percent over the previous year.

Rapeseed production is currently forecast at a record 79.5 million bushels, compared with the revised 33.4 million bushels produced in 1969. Seeded area increased to 3.95 million acres, 96 percent above the 1969 level. Average yield, estimated at a record 20.1 bushels, increased 21 percent above last year's revised estimate of 16.6 bushels.

Brazil May Import Cotton

Reports from Brazil indicate that the northeast cotton-growing States, particularly the Sertao and Serido Zones, are suffering a disastrous drought during the current season. Production in the area, which accounts for most of Brazil's longer staple lengths, is expected to be reduced sharply.

As a result, the U.S. Embassy in Rio de Janeiro reports that Brazil has expressed interest in importing cotton 1-1/16 inches and longer in staple length. Quotations have been requested on three lots of 15,000 bales each for shipment during

October, November, and December, and additional quantities may be requested later. According to the report, Brazil will waive the prohibitive 50-percent ad valorem import duty in this emergency.

The staple lengths desired are readily available from U.S. stocks, which are composed almost entirely of cotton 1-1/16 inches and longer. Because of the early shipping dates requested, the United States appears to be in good position to meet Brazil's requirements. Turkey, Greece, and the USSR, which received similar inquiries, would probably have to offer new-crop cotton, which will not be available for shipment in large quantities for several months.

Rise in U.S. Tobacco Imports

U.S. imports of unmanufactured tobacco (for consumption) during July 1970 totaled 20.5 million pounds, valued at $11.3 million, compared with 16.9 million pounds and a value of $10.6 million in July 1969. Most of the increase in these imports, which are duty-paid withdrawals from Customs Board for manufacture, was in scrap and cigarette leaf (flue-cured and burley) tobaccos. The average price per pound of imports in July was 55.2 cents, representing a decline from 62.6 cents per pound in the same month a year earlier.

Cumulative imports for consumption during January-July 1970 increased about 3 percent to a total of 126.3 million pounds, compared with 122.3 million pounds in the same period a year ago. Import value was also up to a total $75.4 million, compared with $74.7 million in the comparable period of 1969. Cigarette leaf, the major category of unmanufactured imports, was down in total during 1970; however, the quantity of flue and burley cigarette leaf imports was up and that of other cigarette leaf, mostly oriental types, was down. Imports of scrap leaf continued to rise and at 36.4 million pounds were up about 18 percent during the 6-month period, over the same period a year ago.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO
[For consumption]

Period and kind	1969		1970	
	Quantity	Value	Quantity	Value
	1,000 pounds	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
January-July:				
Cigarette leaf (flue & burley)	8,324	1,185	4,362	1,220
Cigarette leaf, other	84,029	57,163	81,564	55,144
Cigar wrapper	190	668	388	1,681
Mixed filler & wrapper	181	976	159	662
Cigar filler, unstemmed	1,419	1,151	1,712	1,375
Cigar filler, stemmed	1,419	1,881	1,674	2,179
Scrap	30,821	11,526	36,352	13,107
Stems	957	188	71	3
Total	122,340	74,738	126,282	75,371
July:				
Cigarette leaf (flue & burley)	81	27	1,909	366
Cigarette leaf, other	12,789	8,676	12,361	8,319
Cigar wrapper	18	71	83	265
Mixed filler & wrapper	10	52	13	57
Cigar filler, unstemmed	187	139	597	281
Cigar filler, stemmed	143	176	163	202
Scrap	3,389	1,282	5,344	1,815
Stems	247	144	0	0
Total	16,864	10,567	20,470	11,305

Bureau of the Census.

Record British Honduras Sugar Year

The 1969-70 sugar milling season ended with a record total production of 66,793 long tons of raw sugar. This was an increase of 3,205 tons (5 percent) over the previous record of 63,588 tons produced during the 1967-68 season and was 14,655 tons above the poor 1968-69 crop.

The British Honduras Sugar Board attributed the increased cane yields and sugar production to a greater use of insecticides and fertilizers by cane farmers, relatively light froghopper infestation, and generally good harvesting weather. Indiscriminate burning of cane fields, however, resulted in heavy losses for some farmers.

Mexico Ups Official Import Prices

The Mexican Government recently announced significant increases in value-for-duty prices on a number of agricultural products. These increases affect commodities for which U.S. agricultural exports to Mexico totaled approximately $11.2 million, or 8 percent of total fiscal 1970 agricultural exports of $139,000,000. The principal items included dried beans worth nearly $3 million in 1970 exports; powdered milk, $1.3 million; grapefruit, $860,000; potatoes for consumption, $730,000; fresh eggs, $130,000; cereals (including sorghum), $1.35 million; fresh and dried fruit, $600,000; soybean meal, $187,000; and seeds for planting $1.8 million.

Following is a partial list of agricultural items for which prices have been increased.

Item	Old price	New price
	U.S. dol. per lb.	*U.S. dol. per lb.*
Raisins	0.33	0.36
Dried peaches (with pits)	.21	.36
Oranges	.05	.44
Grapefruit	.06	.45
Almonds (in shell)	.37	.80
Dried beans	.09	.18
Pecans (shelled)	.65	1.52
Soybean meal	.15	.29
Alfalfa meal	.28	.40

Crops and Markets Index

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

PENALTY FOR PRIVATE USE, $300
OFFICIAL BUSINESS

United States Department of Agriculture
POSTAGE & FEES PAID

Cotton Imports and Consumption To Drop in Philippines

A tight foreign exchange situation in the Philippines will be one of the factors in an estimated 15 percent reduction in 1970-71 cotton imports and a reduction in cotton consumption. Imports of synthetics should remain steady.

Preliminary figures, based on statistics released by the Philippine Bureau of Census and on U.S. shipping data, indicate that raw cotton imports for 1969-70 should reach about 39,000 metric tons (179,000 bales). Imports for the year 1970-71 are expected to be reduced to about 33,000 tons (the equivalent of 152,000 bales).

Imports of synthetic fibers dropped off in the last half of 1969-70 and imports for the year were about 26,000 tons, the same as last year. The outlook for 1970-71 is for synthetics to continue at the same levels as the last 2 years.

The available data indicate that cotton imports from the United States increased to 31,000 tons (142,000 bales) in 1969-70, compared to 29,000 tons (133,000 bales) in 1968-69. The outlook for 1970-71 is for a reduction to about 28,000 tons (129,000 bales) in U.S. imports.

The United States continued as the predominant supplier of Philippine cotton in 1969-70. Other major suppliers in 1969-70 were (in preliminary round figures) Mexico with 5,000 metric tons (23,000 bales), Australia with 900 tons (4,000 bales), and Nicaragua with 700 tons (3,000 bales).

Partly as a result of the tight foreign exchange situation the Philippines Government has decided to make use, whenever possible, of credit and concessional programs to obtain needed imports. Consequently, foreign exchange is not being as readily allocated for imports of cotton since the peso was devaluated last February. Most U.S. cotton imported is financed under the CCC credit program of Public Law 480.

The purchasing power of the consumer was reduced during the year, especially after the establishment of a floating rate for the peso on February 21, 1970. This was in fact a devaluation of the peso of about 50 percent which in turn raised the cost of imported fibers by about the same percentage. The resulting higher prices of textile fabrics caused a substantial loss in sales, and some mills shortened their work schedules. Currently, many mills are in financial trouble, with at least one large mill having been taken over by the Philippine National Bank.

This situation is expected to continue into late 1970, and raw cotton consumption is expected to remain at 36,000 tons. Another complication is that purchases of raw cotton were held up for several weeks pending approval of additional CCC credit. This may leave several mills short of cotton and will be another factor in holding 1970-71 consumption down.

Japan Liberalizes Trade in Lemon Juice, 14 Other Agricultural Items

The Japanese Government has announced the liberalization of 14 agricultural items, including lemon juice, which were not expected to be liberalized until the end of this year. Effective September 1, lemon juice, margarine and shortening, manioc for feeding purposes, potato meal and flakes, tapioca and sago, and residues of starch manufacture were placed on the liberalization list.

This brings to 37 the number of categories (17 agricultural) which have been liberalized since October 1969. In that month the Japanese Government announced plans to liberalize half the items remaining under quota—then numbering about 120—by the end of 1971. (See Foreign Agriculture Aug. 31, 1970, pp. 7-8.)

The Japanese Ministry of International Trade and Investment recently announced that Japan will fully liberalize the remaining 23 items by April, instead of December 1971. The Government also announced that an additional 20 items will be liberalized by September 1971, leaving about 40 items still subject to quotas on that date.

Considering the tremendous growth of U.S. lemon exports after Japan removed its lemon quota (Japanese lemon import values soared from $1.4 million in 1962 to $19 million in 1969) the liberalization of lemon juice is expected to provide a good market for U.S. exporters. Commercial production of lemons in Japan is insignificant.